



United States
Department of
Agriculture

Farmers
Home
Administration

Washington
D.C.
20250

FmHA AN No. 1712 (2024)

January 4, 1988

SUBJECT: Contracting for Farmer Programs Insured Loan Making and Servicing, Including Classification of Borrower Accounts

TO: All State Directors, State Directors-at-Large,
Farmer Programs Chiefs, District Directors, and
County Supervisors, FmHA

PURPOSE/INTENDED OUTCOME:

The purpose of this Administrative Notice (AN) is to stress the importance of using contractors for insured loan making and servicing actions in Farmer Programs.

COMPARISON WITH PREVIOUS AN:

No AN has been issued on this subject.

IMPLEMENTATION RESPONSIBILITIES:

FmHA Instruction 2024-A authorizes the use of contractors to assist County Office personnel in performing their required duties. Due to the large volume of work with which field offices have to contend, contractors can provide a valuable service. Whenever possible, contractors should be used for assistance in the loan making and servicing processes for Farmer Programs insured loans. County Supervisors should review the numerous tasks and contracting actions authorized in FmHA Instruction 2024-A, Exhibit D.

Many County Supervisors are using contractors when they are unable to make timely chattel checks and chattel appraisals, as required for existing borrowers. Consideration should also be given to utilizing contractors for assisting borrowers in setting up and maintaining good farm records. Contractors can be of considerable assistance in helping to prepare "actual" figures and information on the farm plan in preparation for year-end analyses, since many County Offices are unable to complete them for all required farm borrowers as prescribed in FmHA Instruction 1924-B, Section 1924.60.

EXPIRATION DATE:
December 31, 1988

FILING INSTRUCTIONS: Preceding
FmHA Instruction 2024-A



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We also recommend use of contractors for performing the classification of borrower accounts, which is described in FmHA Instruction 2006-W, dated October 7, 1987. In addition, contracting with investigators can be helpful in locating unreleased chattels and crops, or in locating assets of borrowers in bankruptcy or foreclosure whose cases have been referred to the U.S. Attorney.

The use of contractors for the making and servicing of insured loans will allow County Supervisors to spend more time on the Guaranteed Loan program. As the emphasis has shifted from insured to guaranteed loans over the past few years, County Supervisors must spend as much time as possible working with lenders to assure guaranteed program success in their County Office jurisdictions.

A handwritten signature in cursive script, appearing to read "Vance L. Clark", with a long horizontal flourish extending to the right.

VANCE L. CLARK
Administrator